

1 Rafey Balabanian (SBN 315962)
 rbalabanian@edelson.com
 2 Lily Hough (SBN 315277)
 lhough@edelson.com
 3 EDELSON PC
 150 California Street, 18th Floor
 4 San Francisco, California 94111
 Tel: 415.212.9300
 5 Fax: 415.373.9435

6 *Counsel for Plaintiff and the Putative Class*

7 **UNITED STATES DISTRICT COURT**
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

8
 9 JANE DOE, a minor, represented by her father
 10 and next friend, JOHN DENNIS, individually
 and on behalf of all others similarly situated,

11 *Plaintiff,*

12 v.

13 ROBLOX CORPORATION, a Delaware
 14 corporation,

15 *Defendant.*

16 Case No. 3:21-cv-03943-WHO

17
**FIRST AMENDED CLASS ACTION
 COMPLAINT FOR:**

- (1) Violation of Cal. Bus. & Bus. Prof. Code § 17200, *et seq.***
- (2) Violation of Cal. Civ. Code. § 1750 *et seq.***
- (3) Fraud**
- (4) Conversion**
- (5) Unjust Enrichment**
- (6) Breach of the Covenant of Good Faith and Fair Dealing**

18 **FIRST AMENDED CLASS ACTION COMPLAINT AND DEMAND FOR JURY TRIAL**

19 Plaintiff Jane Doe,¹ a minor, represented by her father and next friend, John Dennis, brings
 20 this Class Action Complaint and Demand for Jury Trial against Defendant Roblox Corporation
 21 (“Roblox”) to seek compensation for Defendant’s deceptive and unfair conduct. Plaintiff alleges as
 22 follows upon personal knowledge as to herself and her own acts and experiences, and, as to all other
 23 matters, upon information and belief.

24

25¹ Plaintiff, a minor, hereby respectfully requests the Court’s permission to proceed anonymously, at
 26 least for the purpose of pre-trial public filings. The Ninth Circuit does not appear to require a plaintiff to
 27 obtain leave to proceed anonymously. *See Doe v. Penzato*, No. 10-cv-5154-MEJ, 2011 WL 1833007, at *4
 28 (N.D. Cal. May 13, 2011) (“Although some Circuits require plaintiffs to obtain leave of the court before
 filing an anonymous pleading, the Ninth Circuit does not.”). Should this Court determine that Plaintiff must
 seek leave to proceed anonymously, she will file the appropriate motion.

NATURE OF THE ACTION

1. Defendant Roblox is one of the largest and fastest growing gaming platforms in the world, designed to bring users together in a virtual universe, or “metaverse.” Developers create games and experiences, which are then populated by user-created avatars. Users play games, explore universes, and purchase items made by developers in a virtual marketplace. Roblox makes money when users purchase in-game currency—called “Robux”—which can be used to buy digital items for their avatars to use in Roblox’s virtual universe.

2. While the COVID-19 pandemic forced the closure of brick-and-mortar businesses across the globe, the market for Defendant Roblox's product surged, as the digital world offered the only escape to people forced to stay at home. Roblox's revenue jumped 68% in the first nine months of 2020, while its userbase surged 82%.

3. The vast majority of those users share one characteristic: *they are children.*

4. At least 70% of Roblox's users are under the age of 18, with more than half of all of its users being under the age of 13. And those children spend an enormous amount of time and money exploring the Roblox world day in and day out.

5. However, even though the loyalty of millions of children has turned Roblox into a wild success during a time when many other businesses have suffered, Roblox systematically takes advantage of them.

6. Despite its short and relatively new existence, Roblox has already earned significant negative attention as a dangerous space for its predominately child-focused userbase. For instance, there is a legion of complaints and publications describing how Roblox's child users are exposed to predatory conduct from other—primarily adult—users on the platform, including, “[s]imulated violence, simulated sex, simulated rape . . . A lot of these things are happening on these platforms, and people are unaware that it's happening.”² The platform is also known to attract hackers and financial predators looking to steal in-game currency from other players.

² James Crummel, *Roblox risks: hidden dangers in your child's favorite games*, ABC27.COM (Feb. 25, 2020, 10:54 AM), <https://bit.ly/3hNRvHO>.

1 7. But the predatory conduct taking place on Defendant's platform reaches far beyond
 2 that which occurs at the hands of other nefarious users and third parties. Defendant itself seeks to
 3 fleece its own users financially in a clever content-deleting scheme.

4 8. Participation in the Roblox metaverse requires "Robux," the Roblox in-game
 5 currency. Robux are purchased with real dollars, so Roblox has every incentive to ensure that the
 6 demand for Robux remains high.

7 9. It does so in a few ways: Roblox charges a fee, in Robux, when developers list items
 8 for sale, and takes a commission from every user-to-user transaction. It also sells in-game items to
 9 players directly. By continuously removing Robux from "circulation" through all of these exactions,
 10 Roblox artificially inflates demand for Robux.

11 10. But Roblox also gooses demand for Robux through far more deceitful means:
 12 Roblox encourages users to purchase in-game content on the platform which it has made
 13 available—and from which Roblox earns real money—without performing any meaningful
 14 oversight to ensure that the items coming into its marketplace comply with the platform's policies.
 15 *After* its users have paid for their purchases, Roblox then deletes content under the guise of "content
 16 moderation," ostensibly targeting user-generated content that violates Roblox policies. But Roblox
 17 *also* deletes content that does not violate any policies whatsoever. Either way, by deleting
 18 purchased in-game items without warning, Roblox creates further demand for new items. The result
 19 is a profit cycle: Users must buy more Robux (using real money) to purchase new and replacement
 20 items and, yet again, Roblox charges a seller a fee for the new sale and takes a commission from the
 21 new purchase.

22 11. For years, Roblox refused to refund anything to its users for their deleted content.
 23 When users reported that their content has disappeared in error and demanded refunds, Roblox
 24 would deflect by alleging that the content violated the platform's policies, without any actual detail,
 25 offering Roblox cover to engage in a fraudulent content deleting scheme. Now, since the filing of
 26 the initial complaint in this lawsuit, Roblox has instituted an ostensible and "automatic" refund
 27 program. But this program is merely a half-measure: It fails to undo Roblox's upfront deceptive

conduct, and despite Roblox's promises that the refund program is "automatic," in practice it has proven ineffective at compensating users for improperly revoked items anyway.

12. But even for those users that do receive a Robux “refund,” Roblox has never offered users real money refunds for deleted items. Thus, users are—at best—forced to continue playing Roblox (and becoming subject to more unsavory business practices), or accept their losses and leave.

13. Defendant Roblox must be held accountable for its content-deleting scheme. This class action complaint seeks relief for users who unwittingly purchased “moderated” in-game items on Defendant Roblox’s platform.

PARTIES

14. Plaintiff Jane Doe and her father and next friend John Dennis are natural persons and residents of the State of Michigan.

15. Defendant Roblox Corporation is a corporation existing under the laws of the State of Delaware, with its principal place of business located at 970 Park Place, San Mateo, California 94403. Roblox regularly conducts and transacts business in this District and throughout the United States.

JURISDICTION AND VENUE

16. This Court has subject matter jurisdiction over Plaintiff's claims under 28 U.S.C. § 1332(d)(2) because, as to all proposed Class members, (a) at least one member of the Class, which consists of at least 100 members, is a citizen of a different state than Defendant, (b) the amount in controversy exceeds \$5,000,000, exclusive of interest and costs, and (c) none of the exceptions under that subsection apply to this action.

17. This Court has personal jurisdiction over Defendant because it transacts business in this State, and because the tortious conduct alleged in this Complaint occurred in, was directed to, and/or emanated from this State.

18. Venue is proper in this District under 28 U.S.C. § 1391 because Defendant conducts business transactions in this District, and because the wrongful conduct giving rise to this case

1 occurred in, was directed to, and/or emanated from this District.

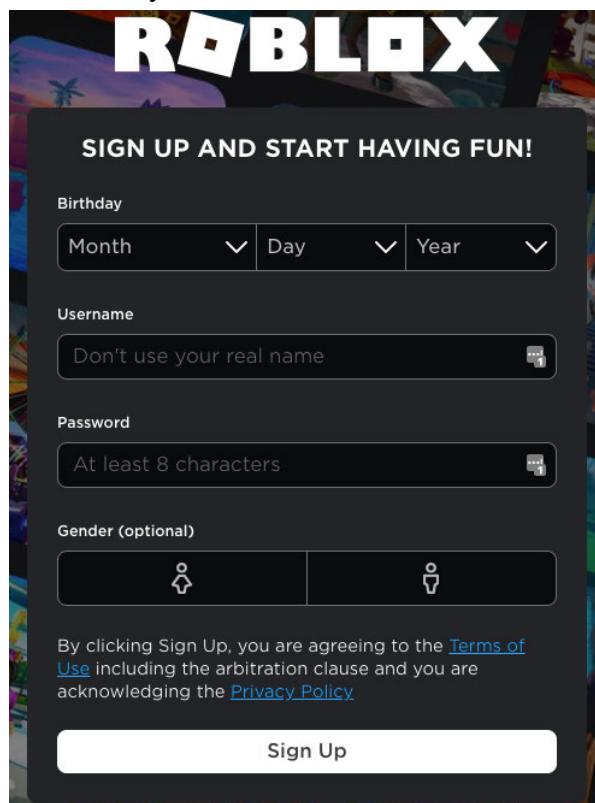
2 19. Venue is proper in this District for Plaintiff's claims under Cal. Civ. Code § 1780(d)
 3 for the reasons stated in the accompanying Declaration of Lily E. Hough.

4 **FACTUAL BACKGROUND**

5 ***Roblox's Platform and Real-World Profiteering from its Child Userbase***

6 20. Created in 2004, Roblox is an interactive "metaverse" that creates a "new category
 7 of human interaction." An average of 36.2 million people from around the world navigate to Roblox
 8 daily to interact in a 3D digital world that is entirely user generated, built by a community of nearly
 9 7 million developers. More than half of these users are under the age of 13, and users average 2.6
 10 hours on the site daily, more than twice as much time as users spend daily on the popular social
 11 network TikTok.

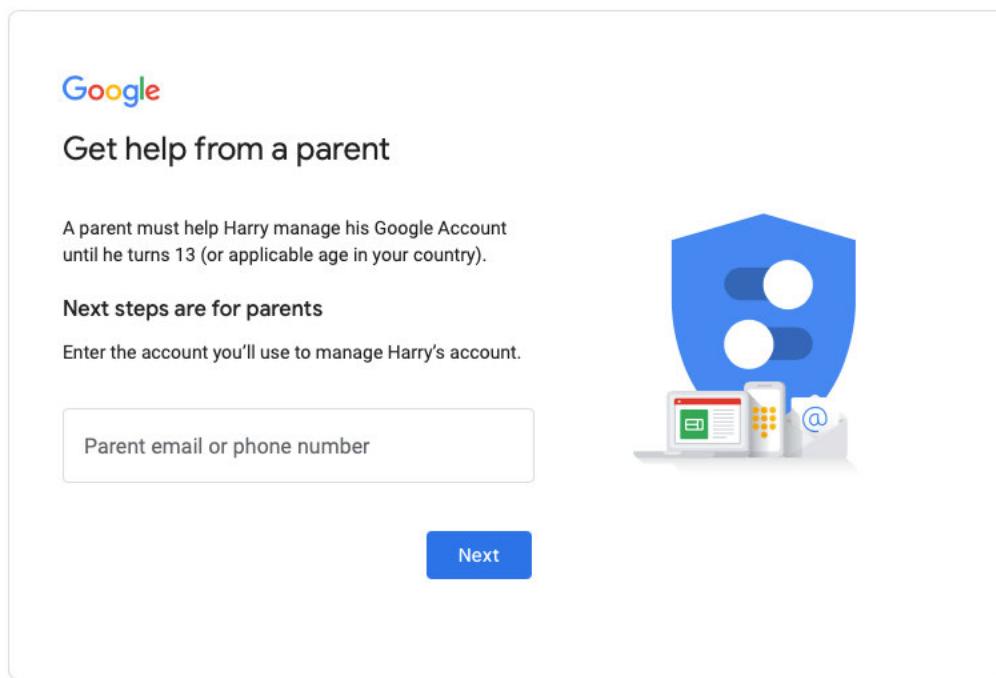
12 21. Roblox is very aware of the age of its userbase. Indeed, the very first step of the
 13 account creation process, even before a user chooses a username and password, requires that new
 14 users first enter their complete birthday.



27 **(Figure 1. Roblox account creation interface as of November 1, 2021.)**

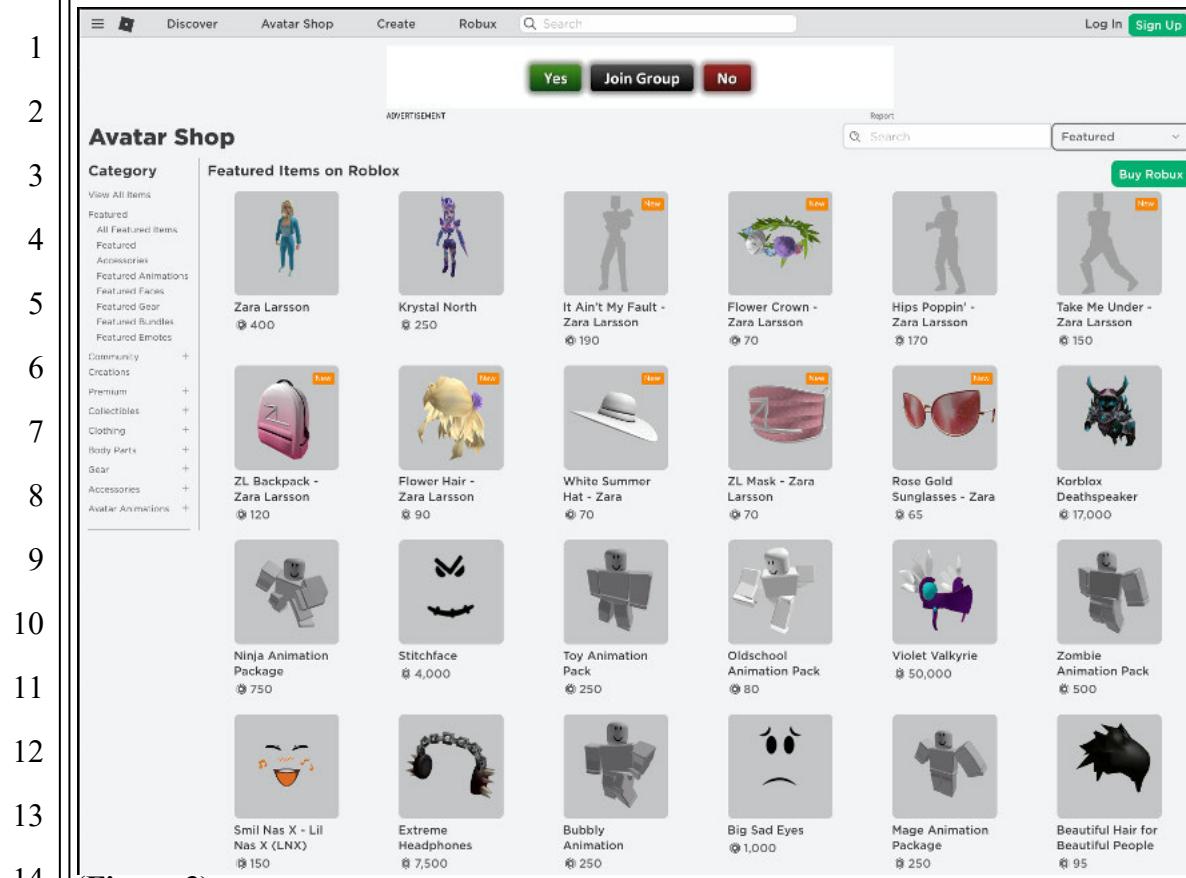
1 22. As shown in Figure 1, above, nowhere on the account creation interface does Roblox
 2 warn minors that they should obtain parental permission before creating an account.

3 23. Nor does Roblox take any steps to make sure a minor has read (much less
 4 understood) any applicable terms and conditions if a user's birthday indicates that she is 15, 10, or 5
 5 years old. This is not a limitation of technology. Many internet services—such as, for example,
 6 accounts opened on the popular video streaming service YouTube—also collect birthdate
 7 information at account signup and, if the user is a minor, expressly require the child to get parental
 8 permission before making an account:



19 20 (Figure 2. Prompt displayed when “Harry,” a minor, attempts to open a new YouTube account.)

21 24. The Roblox platform consists of two primary layers: the Roblox Client and the
 22 Roblox Studio. The Roblox Client is the application that allows users to explore 3D digital worlds
 23 through the eyes of an avatar, which each user customizes with clothing, gear, animations,
 24 simulated gestures, emotes, or other objects. The Roblox Studio is the toolkit developers and
 25 creators use to build, publish, and operate 3D experiences and content for the Roblox Client,
 26 including the aforementioned objects, which they sell in a user-to-user marketplace known as the
 27 Avatar Shop.



(Figure 3)

25. Roblox makes money on all of these purchases through sale of its in-game currency, “Robux.” Roblox offers for sale various quantities of its in-game currency. For instance, players can purchase 400 Robux for \$4.99 or 10,000 Robux for \$99.99. Users receive additional promotional Robux if they subscribe and purchase Robux on a re-occurring basis every month. Users can also acquire Robux by redeeming a gift card or other such code. The cost of items available for purchase in the Avatar Shop varies, but certain premium items can cost more than 5,000 Robux.

26. All purchases and transactions on Roblox (such as, for example, purchasing items on the Avatar Shop) are carried out through Robux. Thus, if Roblox sells an item directly to a user (for, say, 1,000 Robux), Roblox pockets the entirety of that amount.

27. Roblox also takes a cut from user-to-user sales. The amount of this “commission” has varied over time, and has ranged between 30% (the present value) and 90%.

28. Roblox even charges sellers to list items on the Avatar Shop in the form of “upload” or “selling” fees. When sellers sell items on the Platform, their earned Robux can be converted back

1 into real-world currency via the Developer Exchange Program, or it can be maintained on the
 2 platform and used to reinvest in developer tools, promotions, or other purchases on the platform.

3 29. Because every transaction (whether between a buyer and Roblox, or between two
 4 users) on Roblox results in Robux being removed from the game's economy (whether through
 5 payments, commissions, or fees paid to Roblox), Roblox continually maintains a high demand for
 6 new Robux purchases. And because Robux is purchased using real-world cash, Roblox relies on its
 7 audience of children to pad its real-world pockets.

8 ***The Hidden Dangers Lurking in the Roblox Community***

9 30. With most schools in the United States operating remotely in the last year and
 10 playdates on hold due to the COVID-19 pandemic, kids have increasingly turned to the Roblox
 11 platform for community. According to a survey conducted by Roblox, 52% of teens said they spent
 12 the same or more time with real-life friends via Roblox and other online game and voice/chat
 13 programs than in person, and 40% surveyed said the platform improved their online friendships.
 14 Users can communicate via the live chat feature, where chats for players 12 and under are filtered.

15 31. Throughout the company's short history, however, there have been incidents of lewd
 16 behavior and failures of the program's systems allegedly designed to monitor such behavior. Such
 17 scandals include so-called "condo games" showing nude avatars engaging in forms of intercourse
 18 and using profane language. One journalist observed that one virtual condo game "den showcased
 19 an array of sex toys. The private rooms upstairs were furnished only with beds. The basement was a
 20 torch-lit sex dungeon."³

21 32. The Roblox platform—especially these "condo games"—provides a breeding ground
 22 for online predators looking to groom children for sexual abuse. Indeed, journalists have identified
 23 adult condo game players going as far as trying to start separate, private conversations with
 24 underage players to share or solicit sexualized photos. One such "condo game" operator admitted to
 25
 26

27 ³ Burt Helm, *Sex, lies, and video games: Inside Roblox's war on porn*, FASTCOMPANY (Aug. 19,
 28 2020), <https://bit.ly/346tnIA>.

1 *FastCompany* that “he actually profits from predatory activity by soliciting sexualized photos from
 2 female users he meets on Discord and packaging those photos for interested buyers.”⁴

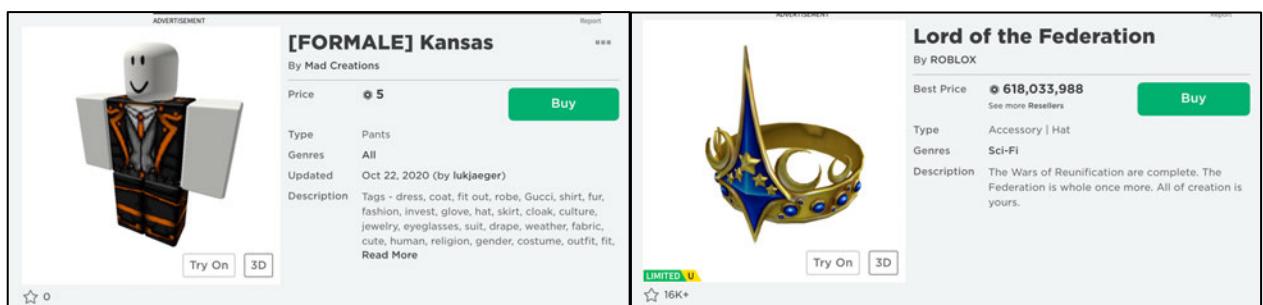
3 33. Roblox created structures to monitor for and remove so-called “condo games” like
 4 this, but the public quickly identified various techniques to get around the filters. Journalists have
 5 chronicled the “war on porn” taking place on the Roblox platform, which it is largely losing.

6 34. Notwithstanding the pervasive user-on-user abuse taking place on Roblox’s
 7 platform, the company itself also preys on its vulnerable customers. At the core of Roblox’s
 8 business model is a fraudulent scheme designed to take advantage of children by routinely deleting
 9 their content without providing any refund or credit, under the cover of “content moderation.”

10 ***The Roblox Content Deleting Scheme***

11 35. Everything about Roblox encourages its users to buy custom items for their Avatars
 12 through the Avatar Shop. The main user interface displays a user’s customized character along with
 13 a link to “customize” the character and a “shop” where new items can be purchased. The shop—or
 14 Avatar Shop—displays the prices for items and conveniently provides a link to “Buy Robux” if a
 15 user lacks enough in-game currency for any purchase.

16 36. Users and developers sell items in the Avatar Shop. Items range in price from a few
 17 Robux up to several million Robux for certain items such as limited-edition items offered for sale
 18 by Defendant Roblox itself. This means—as Roblox is well-aware—that users will often buy Robux
 19 to buy a specific item on the Avatar Shop. *See, e.g., Figures 4-5.*



22 (Figure 4)

23 (Figure 5)

24 4 *Id.*

1 37. Roblox users expect that as long as they continue to play the game, they effectively
 2 own the items they purchase through the Avatar Shop. They expect that items will be usable on the
 3 Roblox platform and will remain in their inventory absent any violative conduct by the user.
 4 Implicit in this expectation is the understanding that items available on the Avatar Shop have been
 5 vetted by Roblox and comply with all applicable rules. In fact, if users seek to upload an item for
 6 their own avatar, which they can thereafter make available for purchase, it will become available to
 7 them only “once approved by Roblox.”⁵

8 38. But unbeknownst to users, this pre-approval process, which exists for all uploaded
 9 items, does not include vetting the uploaded items for compliance with the Roblox Terms of
 10 Service. Instead, as discussed herein, Roblox purports to moderate (i.e., delete) sold items *after* they
 11 have been purchased—even weeks, months, or years after the items have been purchased.

12 39. The reason for this lack of before-the-fact oversight is simple: profit. Roblox benefits
 13 when users spend in-game currency on an item only to have it later-removed from their inventory.
 14 In most circumstances, users will respond by buying (using real currency) more Robux to re-
 15 purchase the deleted item, or a similar one.

16 40. While Roblox has suggested that it only deletes items that infringe upon the Roblox
 17 terms or policies (e.g., by infringing on copyrights or other intellectual property rights), it routinely
 18 removes content that doesn’t on its face appear to violate *any of the platform’s policies*. When it
 19 takes the drastic measure of removing purchased content from a user’s inventory (rendering it
 20 unusable), Roblox offers no explanation of what policy the item actually violated, how it generally
 21 makes such determinations, or how to appeal its decisions. Deleted items are often not offensive,
 22 inappropriate, or infringe upon any trademark or intellectual property. Indeed, users have publicly
 23 complained that Roblox has deleted items even if “there was nothing inappropriate about them to
 24 get deleted.” *See Figure 6.*

25
 26
 27 ⁵ “Making Avatar Clothing,” <https://developer.roblox.com/en-us/articles/How-to-Make-Shirts-and-Pants-for-Roblox-Characters>.



generateID 8 months ago

That is complete BS. My daughter paid 84 Robux for pants and they were just deleted. There was nothing inappropriate about them to get them deleted. There should be a warning or refund system. Otherwise, they could just keep deleting everything for no reason to force people to buy more things.

(Figure 6)

41. Further, and because the point of Roblox's scheme is to induce its minor customers to make additional, otherwise unnecessary purchases, Roblox fails to take steps to prevent previously deleted content from reappearing on its site, or to block developers whose content regularly falls victim to Roblox's content moderation policies. Users and developers often re-introduce previously deleted items on the Avatar Shop—including items previously removed for violating third-party trademarks—and Roblox does nothing to "moderate" this content before users are able to find and purchase it again in the Avatar Shop. This is not a design flaw: Roblox hopes that users will replace and re-purchase deleted items so that it can, for a second time, make money from the sale. To illustrate, Roblox deleted an item called "Black Nike Tank Top" from the Avatar Shop. The developer then released and sold an *identical item* to Roblox users three days later—a black tank top with a Nike logo—and Roblox, once again, benefited from each transaction. *See Figures 7-8.*



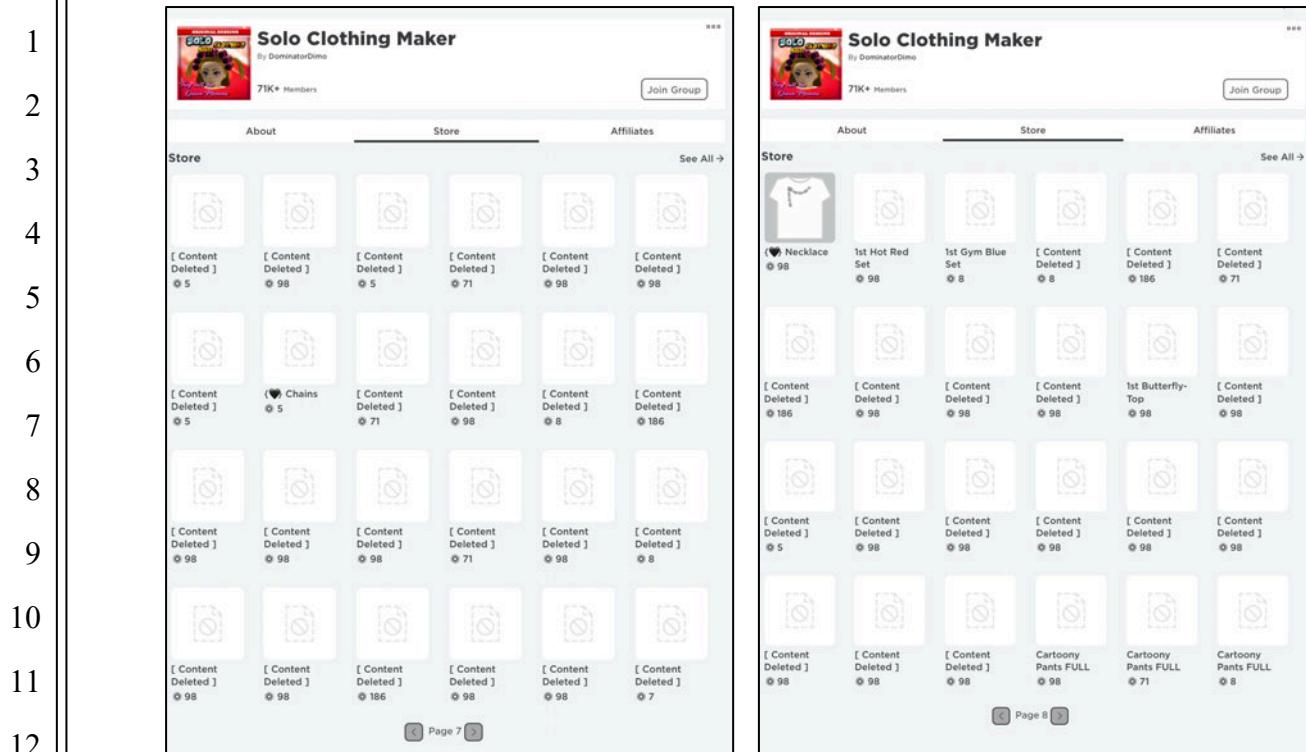
(Figure 7)



6 **(Figure 8)**

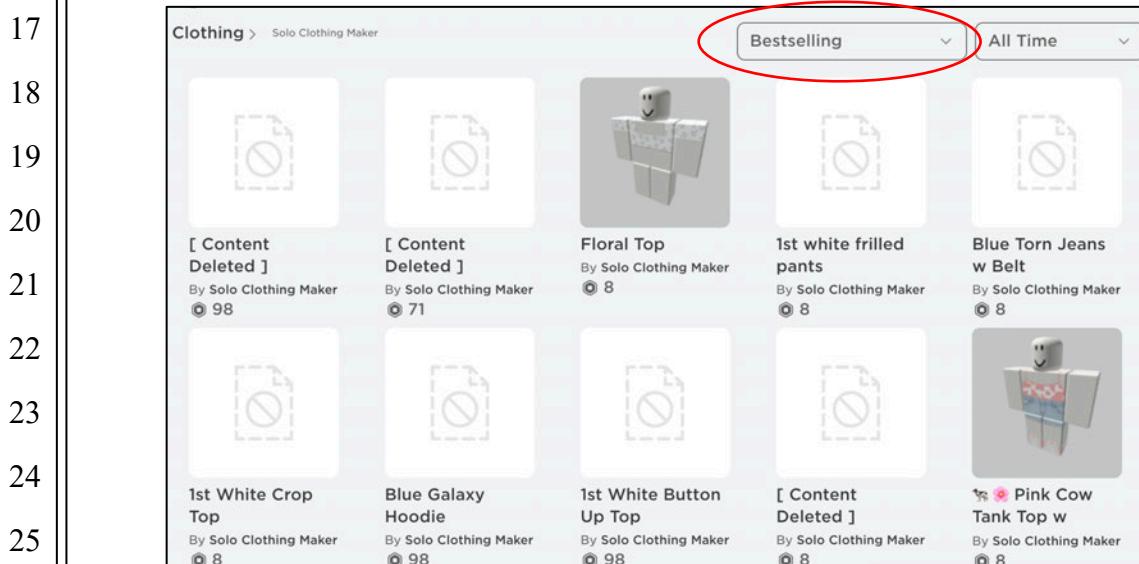
8 42. Furthermore, Roblox takes no additional actions to “moderate” developers who
 9 consistently create products for sale in the Avatar Shop, even if Roblox continuously deletes that
 10 developer’s items. Roblox knows and appreciates that the biggest offenders of its platform’s
 11 policies are also its “golden goose” that drives its revenue. Indeed, Roblox is incentivized to let this
 12 conduct continue unhindered, given that it profits from any transactions in the game and users’
 13 decisions to purchase more Robux with real money.

14 43. If true content moderation were Roblox’s goal, it would take some measures to
 15 remove or at least actively monitor developer accounts that consistently create content in violation
 16 of Roblox’s policies. But Roblox allows these accounts to thrive. For instance, one such group of
 17 developer-sellers, which identifies itself as “Solo Clothing Maker,” has created a plethora of items
 18 for sale, but a large portion of its inventory has been removed subject to Roblox’s content
 19 “moderation.” *See Figure 9.* Yet, Roblox permits this group—and many like it—to operate and sell
 20 items in the Avatar Shop with impunity.



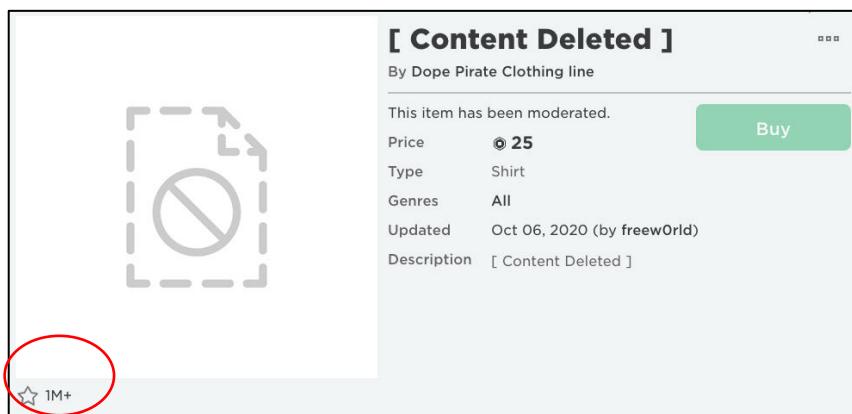
(Figure 9, showing two entire pages featuring items that have been deleted from one developer. This developer has many more pages showing content deleted by Roblox.)

44. Roblox also focuses its content moderation scheme on the bestselling and most popular items from the Avatar Store. In the case of the aforementioned “Solo Clothing Maker” group, Roblox “moderated” eight of its top 10 bestselling items. *See Figure 10.*

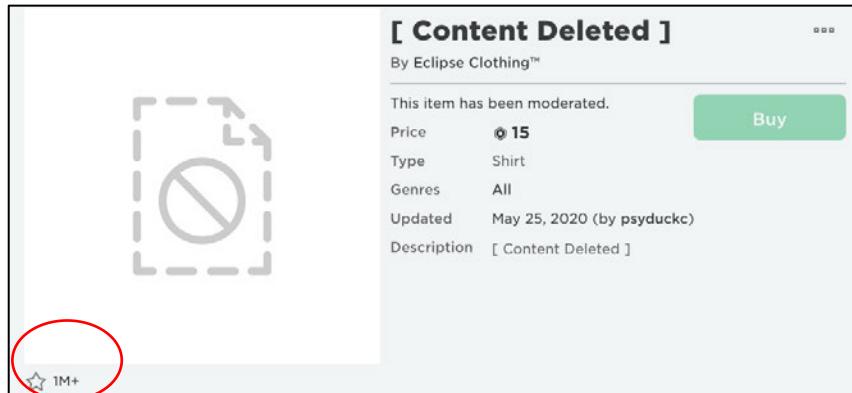


(Figure 10)

1 45. Roblox identifies popular items with a large following in part based on the number
 2 of users that have added the item as a favorite. A Roblox user can add an item they like as a favorite
 3 by clicking on the “star” icon adjacent to the product in the Avatar Shop. As shown in Figures 11-
 4 12, for example, Roblox routinely deletes items where over 1 million users (and potentially millions
 5 more) have shown interest in an item and added it as a favorite. Roblox understands that if it
 6 moderates an exceedingly popular item, users that previously owned the item are very likely to
 7 repurchase it or find a substitute (if one exists)—and, in turn, purchase the Robux needed to make
 8 the purchase.



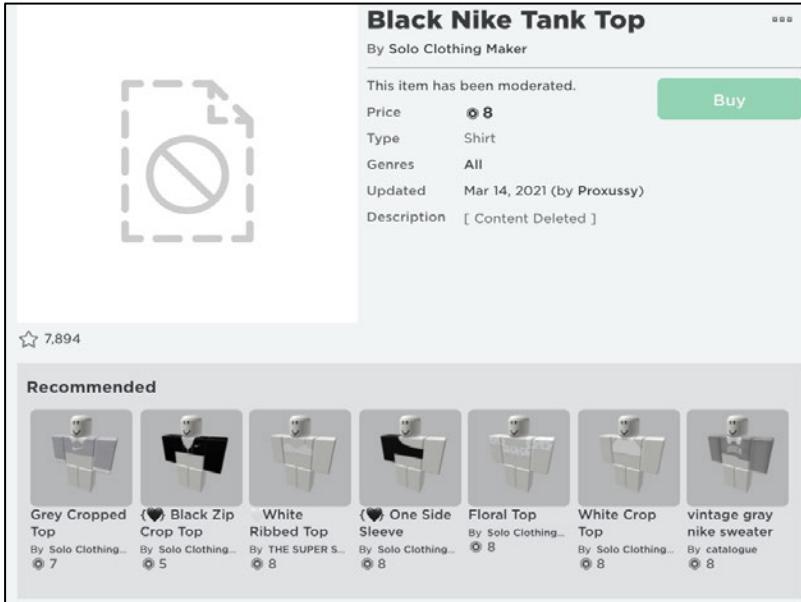
(Figure 11)



(Figure 12)

23 46. If its content moderation scheme wasn’t enough, Roblox goes even further to
 24 intentionally lure users into purchasing items that it *knows* violate its policies and will inevitably be
 25 removed from the platform. Roblox recommends similar items next to previously “moderated”
 26 items which often contain the same intellectual property violations. For instance, next to a

1 previously removed “Black Nike Tank Top” Roblox recommends that a user also purchase a
 2 “vintage gray nike sweater” and other clothing items containing Nike logos. *See Figure 13.*



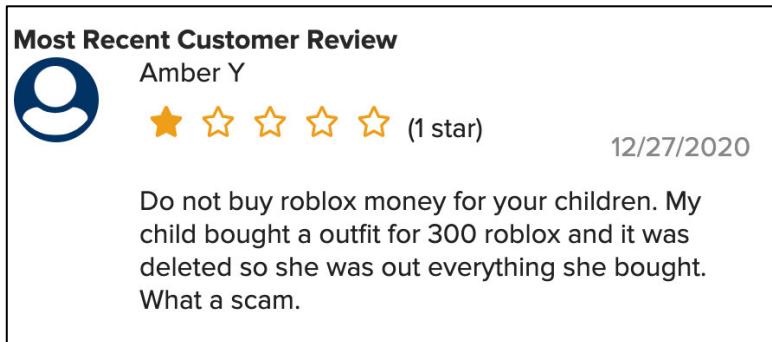
(Figure 13)

13 47. The best descriptions of Roblox’s content moderation scheme come from the
 14 company’s own employees. One former employee recounted: “The manager that was in charge of
 15 us demanded that we have a set quota on the amount of content and accounts moderated each day,
 16 even going as far as to banning users off the platform who clearly have done nothing that violated
 17 our Trust & Safety policies The way we were required to treat the platform’s users with clearly
 18 false reasons of termination of their service just to meet the required quota that managers told us to
 19 meet if we couldn’t reach it with legitimate reasons was the last straw.”⁶

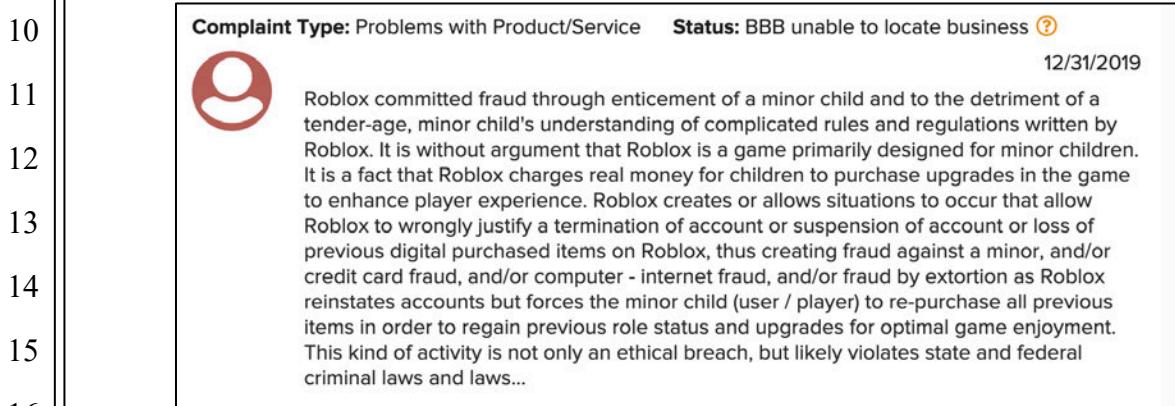
20 48. There is also a legion of consumer complaints illuminating the financial incentives
 21 behind Roblox’s content moderation scheme, which leads children to repeatedly lose items and buy
 22 new Robux so that they can re-purchase or replace the lost items. For example, one parent
 23 complained that her child purchased 300 Robux worth of items only for Roblox to remove the
 24 items. *See Figure 14.* Other consumers have complained about the “loss of previous digital

27 6 Working at Roblox, Glassdoor.com (Feb. 16, 2021), <https://bit.ly/3bL3ySu>.

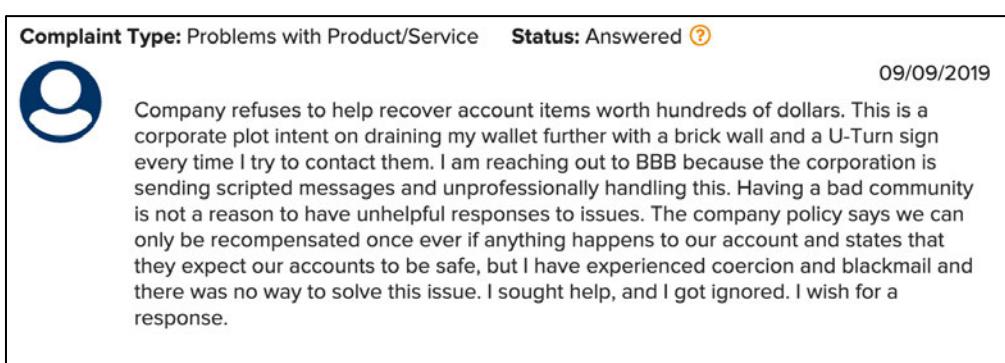
1 purchased items on Roblox," and Roblox's refusal to "help recover account items worth hundreds
 2 of dollars." *See Figures 15-16.*



9 **(Figure 14)**



17 **(Figure 15)**



23 **(Figure 16)**

24

25 49. Worst of all, until recently, Roblox refused to do anything in response to such
 26 deletions. Roblox now purports to have created a process to obtain refunds, but, on information and
 27

1 belief, this process is intentionally difficult to navigate, particularly for children, and is ineffective
 2 at redressing the losses Roblox's unfair and deceptive conduct causes.

3 **PLAINTIFF JANE DOE'S EXPERIENCE**

4 50. Plaintiff Jane Doe is a 12-year-old minor who plays Roblox.

5 51. Plaintiff Jane Doe created her own Roblox account. At that time, she provided
 6 Roblox with her birthdate, which indicated that she was a minor (then around 10 years of age).
 7 Despite being made aware of her age, Roblox took no steps to confirm that Plaintiff was over the
 8 age of 18 or had parental permission before Plaintiff created her account.

9 52. Plaintiff has personally purchased hundreds of Robux through the use of Roblox gift
 10 cards that were under her complete ownership and control. Each time she redeemed her gift cards
 11 for Robux, Roblox took no steps to confirm that Plaintiff was over the age of 18 or had parental
 12 permission to purchase Robux on the platform.

13 53. Plaintiff utilized her in-game currency to make numerous purchases, including
 14 purchasing clothing for her avatar. Among those purchases were pajamas and jeans.

15 54. Plaintiff made these purchases with the understanding that she owned the items, and
 16 that they would remain in her inventory and be usable on the platform. She reasonably believed that
 17 her purchases would be deleted for so-called content moderation only if she personally misused
 18 them in some way.

19 55. Unfortunately, Roblox deleted several of Plaintiff's purchased items without warning
 20 or explanation. The deleted items did not contain offensive or trademarked content.

21 56. After having her items deleted, Plaintiff purchased additional Robux to replace the
 22 items she lost.

23 57. Plaintiff has also not received any refunds or credits, or, to her knowledge, notices
 24 about her eligibility for refunds or credits, to her account pursuant to Roblox's purported "refund"
 25 policy implemented in response to this lawsuit.

CLASS ALLEGATIONS

58. **Class Definition:** Plaintiff brings this action pursuant to Federal Rule of Civil Procedure 23(b)(2) and 23(b)(3) on behalf of herself and the Class defined as follows:

All Roblox users who purchased content on the Roblox platform that was later deleted.

Plaintiff also brings this action on behalf of herself and a Subclass defined as follows:

All Roblox users who were minors when they created their Roblox account and who purchased content on the Roblox platform that was later deleted.

9 Excluded from the Class and Subclass are: (1) any Judge or Magistrate presiding over this action
10 and members of their families; (2) Defendant, Defendant's subsidiaries, parents, successors,
11 predecessors, and any entity in which Defendant or its parents have a controlling interest and its
12 current or former employees, officers and directors; (3) persons who properly execute and file a
13 timely request for exclusion from the Class; (4) persons whose claims in this matter have been
14 finally adjudicated on the merits or otherwise released; (5) Plaintiff's counsel and Defendant's
15 counsel; and (6) the legal representatives, successors, and assigns of any such excluded persons.

16 59. **Numerosity:** The exact number of members of the Class is unknown and not
17 available to Plaintiff at this time, but it is clear that individual joinder is impracticable. On
18 information and belief, Defendant has refused to reimburse thousands of consumers like and
19 including Plaintiff.

20 60. **Commonality and Predominance:** There are many questions of law and fact
21 common to the claims of Plaintiff and the Class, and those questions predominate over any
22 questions that may affect individual members of the Class. Common questions for the Class
23 include, but are not necessarily limited to, the following:

- a. Whether Defendant's actions were likely to deceive members of the public and constituted a fraudulent business practice under California's Unfair Competition Law (Cal. Bus. & Prof. Code § 17200);
- b. Whether Defendant's actions constitute fraud;

- c. Whether Defendant's actions constitute conversion;
- d. Whether Defendant's actions breached the covenant of good faith and fair dealing; and
- e. Whether Defendant was unjustly enriched.

61. **Typicality:** Plaintiff's claims are typical of the claims of other members of the Class, in that Plaintiff and members of the Class sustained damages arising out of Defendant's uniform wrongful conduct.

62. **Adequate Representation:** Plaintiff will fairly and adequately represent and protect the interests of the Class, and has retained counsel competent and experienced in complex litigation and class actions. Plaintiff's claims are representative of the claims of the other members of the Class. That is, Plaintiff and members of the Class sustained damages as a result of Defendant's uniform conduct. Plaintiff also has no interests antagonistic to those of the Class, and Defendant has no defenses unique to Plaintiff. Plaintiff and her counsel are committed to vigorously prosecuting this action on behalf of the members of the Class, and have the financial resources to do so. Neither Plaintiff nor her counsel have any interest adverse to the Class.

63. **Policies Generally Applicable to the Class:** This class action is appropriate for certification because Defendant has acted or refused to act on grounds generally applicable to the Class as a whole, thereby requiring the Court’s imposition of uniform relief to ensure compatible standards of conduct toward members of the Class, and making final injunctive relief appropriate with respect to the Class as a whole. Defendant’s practices challenged herein apply to and affect members of the Class uniformly, and Plaintiff’s challenge of those practices hinges on Defendant’s conduct with respect to the Class as a whole, not on facts or law applicable only to Plaintiff.

64. **Superiority:** This case is also appropriate for class certification because class proceedings are superior to all other available methods for the fair and efficient adjudication of this controversy given that joinder of all parties is impracticable. The damages suffered by the individual members of the Class will likely be relatively small, especially given the burden and expense of individual prosecution of the complex litigation necessitated by Defendant’s actions.

1 Thus, it would be virtually impossible for the individual members of the Class to obtain effective
 2 relief from Defendant's misconduct. Even if members of the Class could sustain such individual
 3 litigation, it would still not be preferable to a class action, because individual litigation would
 4 increase the delay and expense to all parties due to the complex legal and factual controversies
 5 presented in this Complaint. By contrast, a class action presents far fewer management difficulties
 6 and provides the benefits of single adjudication, economy of scale, and comprehensive supervision
 7 by a single court. Economies of time, effort, and expense will be fostered and uniformity of
 8 decisions ensured.

9 65. Plaintiff reserves the right to revise the foregoing "Class Allegations" and "Class
 10 Definition" based on facts learned through additional investigation and discovery.

11

FIRST CAUSE OF ACTION
CALIFORNIA UNFAIR COMPETITION LAW,
CAL. BUS. & PROF. CODE § 17200, *et seq.*
(On Behalf of Plaintiff and the Class and Subclass)

14 66. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

15 67. Defendant Roblox violated California's Unfair Competition Law (UCL), Cal. Bus. &
 16 Prof. Code § 17200 *et seq.*, by engaging in the fraudulent and unfair business acts and practices
 17 alleged, as further specified below.

18 68. The UCL prohibits any unlawful, unfair, or fraudulent business act or practice,
 19 including the employment of any deception, fraud, false pretense, false promise, misrepresentation,
 20 or concealment, suppression, or omission of any material fact. A business practice need only meet
 21 one of the three criteria (unlawful, unfair, or fraudulent) to be considered a violation of the statute.

22 69. Defendant's business practices are unlawful because, as detailed below, they
 23 constitute numerous violations of the CLRA and Cal. Bus. & Prof. Code § 7160.

24 70. Defendant's business practices are fraudulent because its representations, or lack
 25 thereof, about its content moderation policies were likely to deceive the general public and because
 26 Defendant falsely represented that the items available for purchase on its platform had
 27 characteristics or were of a particular standard that they were not. The integrity of purchased items

1 is a material term of a transaction on Defendant's platform because it directly affects the
 2 sustainability and usability of the items, which in turn affects a consumer's choice of, or conduct
 3 regarding, whether to purchase an item; thus, any deception or fraud related to the integrity of the
 4 content is materially misleading. Defendant's fraudulent business practices include advertising
 5 items for purchase that it intended to delete later (or had reason to believe would be deleted later
 6 under its content moderation scheme) and misrepresenting the nature of its content deletion as
 7 content "moderation".

8 71. Defendant's business practices are also unfair. A business act or practice is "unfair"
 9 under the UCL if the reasons, justifications, and motives of the alleged wrongdoer are outweighed
 10 by the gravity of the harm to the alleged victims. A business act or practice is also "unfair" under
 11 the UCL if the conduct or practice is immoral, unethical, oppressive, unscrupulous or substantially
 12 injurious to consumers. Defendant has engaged in unfair business practices, specifically, by failing
 13 to adequately scrutinize content for policy violations *before* the content could be purchased (by its
 14 child-focused userbase), then deleting the content after the fact and refusing to issue refunds. This
 15 conduct is unfair because the injuries caused by it are not outweighed by any countervailing benefits
 16 to consumers or competition, and the injury is one that consumers themselves could not reasonably
 17 have avoided. Given the lack of transparency about Defendant's content moderation standards and
 18 the information asymmetry between Defendant and consumers regarding how (and when)
 19 Defendant would perform so-called content "moderation," Defendant knew or had reason to know
 20 that consumers could not have reasonably known or discovered the integrity of the content (and the
 21 likelihood that it would be deleted for violating the platform's policies) before they purchased it.

22 72. Defendant knew or had reason to know that consumers would be injured if it deleted
 23 items after consumers purchased them.

24 73. Plaintiff has standing to bring these claims under the UCL because she was injured
 25 and lost money or property, including but not limited to money paid for Roblox content, as a result
 26 of Roblox's fraudulent and unfair business practices. Among other things, Plaintiff would not have
 27 bought the content that she did had she known about Defendant's content moderation scheme, or

1 she would have paid a lower price for the content she did purchase. Prior to filing this lawsuit,
2 Plaintiff had not received a refund and, to her knowledge, has not received any refund as of this
3 filing.

4 74. Defendant's fraudulent, unlawful, and unfair conduct occurred during the sale of a
5 consumer product, and therefore occurred in the course of Defendant's business practices.

6 75. Defendant's fraudulent, unlawful, and unfair conduct directly and proximately
7 caused Plaintiff's and the Class's damages.

8 76. But for Defendant's conduct as described herein, Plaintiff and the Class would not
9 have purchased the content that was later deleted.

10 77. Pursuant to Cal. Bus. & Prof. Code § 17203, Plaintiff seeks equitable relief to
11 prevent the continued use of Defendant's unfair and fraudulent practices and to restore to the Class
12 all money Defendant has acquired by means of its fraudulent and unfair business practices.

SECOND CAUSE OF ACTION
Public Injunctive Relief for Violations of
California's Consumer Legal Remedies Act
(On Behalf of Plaintiff and the Class and Subclass)
(Cal. Civ. Code. § 1750 *et seq.*)

16 | 78. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

17 79. Plaintiff brings this Count on behalf of the general public and/or for the primary
18 benefit of the general public, and her benefit only incidentally as a member of the general public, to
19 enjoin conduct injurious to the general public.

20 80. California's Consumer Legal Remedies Act ("CLRA") sets forth a list of prohibited
21 "unfair or deceptive" practices in a "transaction" relating to the sale of "goods" or "services" to a
22 "consumer."

23 81. The Legislature's intent in promulgating the CLRA is reflected in Section 1760,
24 which mandates that its terms are to be "liberally construed and applied to promote its underlying
25 purposes, which are to protect consumers against unfair and deceptive business practices and to
26 provide efficient and economical procedures to secure such protection."

1 82. The content available in Defendant's Avatar Shop constitutes a "good" under Cal.
 2 Civ. Code § 1761(a).

3 83. Plaintiff is a "consumer" under Cal. Civ. Code § 1761(d) and has suffered damage as
 4 a result of the use or employment by Defendant of the methods, acts, or practices set forth below,
 5 which are unlawful under Cal. Civ. Code § 1770(a).

6 84. Plaintiff, on behalf of the general public, requests that the Court—to protect and
 7 enforce important public rights and restrain conduct injurious to the general public—enter a
 8 permanent injunction prohibiting Defendant, its agents, servants, employees, and all person acting
 9 in concert with it, from engaging in the following conduct with respect to the sale of the content:

10 (a) representing that the content in the Avatar Shop has the approval of Roblox and/or a
 11 use or benefit that it does not (or failing to disclose that it does not), in violation of Cal. Civ. Code
 12 §§ 1770(a)(2), (5), (7) & (16);

13 (b) advertising the content in the Avatar Shop for use on the Roblox platform with the
 14 intent to later deprive consumers of the use of their purchased content, in violation of Cal. Civ.
 15 Code § 1770(a)(9);

16 (c) representing that the purchase of content in the Avatar Shop confers the right to keep
 17 and use the content, when it does not (or failing to disclose that it does not), in violation of Cal. Civ.
 18 Code § 1770(a)(14); and/or

19 (d) offering to enter into contractual relationships with the general public governed by
 20 unconscionable contract clauses, in violation of Cal. Civ. Code § 1770(a)(19).

21 85. Defendant has exclusive knowledge about the integrity of the content in the Avatar
 22 Shop, that is, whether the content violates Defendant's policies and/or whether it could be deleted
 23 after it is purchased from the Avatar Shop. The risk that content available in the Avatar Shop will be
 24 "moderated" and thus deleted after being purchased is not conspicuously disclosed to users, and
 25 Defendant's methodology and policies for "moderating" content are not transparent.

26 86. The integrity of the content in the Avatar Shop is material information about the
 27 content because a reasonable consumer would not purchase the content (or would pay less for it) if

1 they were aware that the content was at risk of being deleted, at no fault of the consumer. Thus,
 2 Defendant had a duty to disclose to users—in a manner sufficient to place both children and their
 3 parents on notice—the fact that the content in its Avatar Shop had not undergone any content
 4 review, would be purchased at the user’s own peril, was at risk of being deleted after the purchase
 5 point, would be rendered unusable, and would not be eligible for a refund. Defendant failed to
 6 disclose these material facts for which Defendant had exclusive knowledge and which were not
 7 reasonably accessible to consumers, including Plaintiff.

87. As a result of Defendant’s unlawful conduct, Plaintiff suffered economic damages as
 9 stated herein.

10 88. Pursuant to Cal. Civ. Code § 1782(a), Plaintiff served Defendant with written notice
 11 of her claim that Defendant engaged in the deceptive acts and practices alleged herein and with a
 12 demand for injunctive relief, on behalf of herself and all class members, in May 2021. After thirty
 13 (30) days, Defendant failed to take any action to correct, repair, replace, or otherwise rectify
 14 Plaintiff’s injuries alleged herein, nor did it take remedial action, to Plaintiffs’ knowledge, to make
 15 the appropriate correction, repair, replacement, or other remedy of the goods and services sold to
 16 the Class.

17 89. Plaintiff, on behalf of herself and the Class, seeks damages in an amount to be
 18 proven at trial, injunctive relief to stop Defendant’s deceptive acts and practices, and an award of
 19 attorneys’ fees and costs.

20 90. In addition to the public injunctive remedies set forth above, Plaintiff also seeks an
 21 award of attorneys’ fees pursuant to the private attorney general doctrine, codified at Cal. Civ. Proc.
 22 Code § 1021.5, for enforcing important rights “affecting the public interest.”

23 **THIRD CAUSE OF ACTION**
 24 **FRAUD**
(On Behalf of Plaintiff and the Class and Subclass)

25 91. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

26 92. Defendant makes money by selling Robux to members of the Class. Plaintiff and
 27 members of the Class—which are predominantly or exclusively children—expected that the items

1 they purchased with Robux through the Avatar Shop have been approved by Roblox and they will
2 be able to use their purchased items as long as they themselves abided by the platform's policies.

3 93. But Defendant concealed from Plaintiff and the Class that Defendant had not
4 moderated the content before it became available for purchase in the Avatar Shop and that
5 Defendant intended to delete the items sold in the Avatar Shop from users' inventories, absent any
6 violative conduct by the user-purchaser. Defendant also concealed from Plaintiff and the Class that
7 it implemented a quota for its employees to delete items from its platform even if they did not
8 violate any of the platform's policies.

9 94. Furthermore, Defendant sold and recommended items in the Avatar Shop that it
10 knew it would ultimately remove from its platform and from Plaintiff's and the Class's inventories.

11 95. Defendant knew that the integrity of the content in the Avatar Shop is material
12 information which would influence consumers' purchasing decisions, and it intentionally concealed
13 information about the integrity of the content in the Avatar Shop in order to induce consumers to
14 purchase the content.

15 96. Defendant knew that its users, and especially children, would rely on its omissions
16 and purchase items in the Avatar Shop. Plaintiff and the Class reasonably relied on Defendant's
17 omissions and purchased items with the reasonable belief that the items would not be deleted absent
18 any violative conduct by Plaintiff and the Class. Plaintiff and the Class suffered damages as a result
19 of this reliance because their content was ultimately removed—through no fault of their own—
20 without being provided a refund or a credit.

21 97. Plaintiff and the Class seek an award of compensatory and punitive damages.

**FOURTH CAUSE OF ACTION
CONVERSION
(On Behalf of Plaintiff and the Class and Subclass)**

24 | 98. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

25 99. Plaintiff and the Class have rightful ownership of items they purchased in the Avatar
26 Shop. Plaintiff and the Class did not authorize Defendant to delete the content they purchased,
27 without providing any refund, for the purposes for which Defendant claims the content was deleted.

1 100. Through Defendant's content deletion scheme, Defendant removed Plaintiff's and
2 the Class's items, which they purchased and rightfully owned—without providing any notice,
3 explanation, or refund whatsoever. Defendant wrongfully converted Plaintiff's and the Class's
4 purchased content because by deleting it, it interfered with Plaintiff and the Class's right to use the
5 content.

6 101. While removing Plaintiff's and the Class's rightfully purchased items, Defendant
7 retained a portion of the sale price or the commission it received from the sale of each item in the
8 Avatar Shop.

9 102. As a result of Defendant's wrongful actions, Plaintiff and the Class were deprived of
10 the use of their purchased items and sustained a loss in the form of the purchase price of the item
11 that was wrongfully deleted.

**FIFTH CAUSE OF ACTION
UNJUST ENRICHMENT**
(On Behalf of Plaintiff and the Class and Subclass)

103. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

15 104. Plaintiff and the Class conferred a benefit to Defendant when they purchased items
16 from the Avatar Shop.

17 105. Defendant appreciates and/or has knowledge of such benefit.

18 106. Defendant unjustly received and retained a benefit when it deleted Plaintiff's and the
19 Class's items without providing a refund or credit.

20 107. Principles of equity and good conscience require Defendant to return the purchase
21 price of deleted items to Plaintiff and the Class.

22 108. Plaintiff and the Class seek disgorgement and restitution of any money received by
23 Defendant as a result of the conduct alleged herein.

SIXTH CAUSE OF ACTION
BREACH OF THE COVENANT OF GOOD FAITH AND FAIR DEALING
(On Behalf of Plaintiff and the Class and Subclass)

26 109. Plaintiff incorporates the foregoing allegations as if fully set forth herein.

110. Every contract is governed by the implied covenant of good faith and fair dealing that prevents a contracting party from depriving other contracting parties from the expended benefits accruing under the contract.

4 111. Plaintiff and other Class members purchased content from the Avatar Shop.

5 112. Roblox deleted content that Plaintiff and other Class members purchased from the
6 Avatar Shop without issuing refunds.

7 113. Roblox generates revenue from the sale of each item sold in the Avatar Shop, whether
8 or not it ultimately gets deleted.

9 114. Roblox fails to adequately perform oversight *before* content is offered for sale in its
10 marketplace. Rather, Roblox waits until items are purchased, collects commissions, and then deletes
11 the content without providing refunds, leaving its users, who are predominantly children, with
12 nothing.

13 115. Roblox engaged in conduct that frustrated and interfered with the rights of Plaintiff
14 and other Class members and these actions prevent Plaintiff and the Class from receiving the benefits
15 of their bargain.

16 116. As a direct and proximate result of Roblox's breach of the covenant of good faith and
17 fair dealing, Roblox caused harm to Class members. To redress such harm, Plaintiff seeks injunctive
18 relief under this Count and an order enjoining the acts and practices alleged unlawful herein.

PRAYER FOR RELIEF

20 WHEREFORE, Plaintiff Jane Doe, by her father and next friend, John Dennis, individually
21 and on behalf of the Class and Subclass, prays for the following relief:

22 (a) An order certifying the Class and Subclass as defined above, appointing Plaintiff as
23 the representative of the Class and Subclass, and appointing her counsel as Class Counsel;

24 (b) Declaring that Roblox's conduct constitutes a violation under the California UCL
25 and CLRA, fraud, conversion, and unjust enrichment;

26 (c) Awarding injunctive and other equitable relief as is necessary to protect the interests
27 of the Class;

- (d) An award of all economic, monetary, actual, consequential, compensatory, and punitive damages available at law and caused by Roblox's conduct;
- (e) An award of reasonable litigation expenses and attorneys' fees;
- (f) An award of pre- and post-judgment interest, to the extent allowable;
- (g) Such other and further relief that the Court deems reasonable and just.

JURY DEMAND

Plaintiff Jane Doe, by her father and next friend, John Dennis, requests a trial by jury of all claims that can be so tried.

Respectfully submitted,

JANE DOE a minor, represented by her father and next friend, **JOHN DENNIS**, individually and on behalf of all others similarly situated,

Date: November 2, 2021

By: /s/ Lily E. Hough
One of Plaintiff's Attorneys

Rafey Balabanian (SBN 315962)
rbalabanian@edelson.com
Lily Hough (SBN 315277)
lough@edelson.com
EDELSON PC
150 California Street, 18th Floor
San Francisco, California 94111
Tel: 415.212.9300
Fax: 415.373.9435

Mark S. Reich (*pro hac vice* to be filed)
mreich@zlk.com
Courtney E. Maccarone (*pro hac vice* to be filed)
cmaccarone@zlk.com
LEVI & KORSINSKY, LLP
55 Broadway, 10th Floor
New York, NY 10006
Tel: 212-363-7500
Fax: 212-363-7171

Attorneys for Plaintiff and the Proposed Class